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RULES OF PROCEDURE FOR THE SUPERVISORY BOARD OF DEUTSCHE TELEKOM AG

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As at: March 1, 2017

The Supervisory Board adopts the following Rules of Procedure in accordance with § 11 of the Articles of Incorporation of Deutsche Telekom AG:

§ 1 General Provisions

- (1) The Supervisory Board shall carry out its tasks in accordance with statutory provisions, the Articles of Incorporation, these Rules of Procedure and supplementary resolutions passed by the Supervisory Board. All of its members shall have equal rights and duties and shall not be bound by directives or commissions.
- (2) The Supervisory Board has the task of supervising management. Furthermore, the Supervisory Board shall support management by giving advice and shall promote the objectives of the Company.
- (3) The Chair of the Supervisory Board shall regularly maintain contact with the Board of Management, in particular, with the Chair of the Board of Management, and consult with him or her on the strategy, business development and risk management of the company. The Chair of the Supervisory Board shall be informed by the Chair of the Board of Management without delay of important events that are essential for the assessment of the situation and development as well as for the management of the company. The Chair of the Supervisory Board shall then inform the Supervisory Board and, after consulting with the Deputy Chair of the Supervisory Board, shall convene a meeting, if required.
- (4) All members of the Supervisory Board are obliged to maintain secrecy on all confidential information and secrets concerning the Company, specifically on business and trade secrets, of which they have gained knowledge as a result of their activity on the Supervisory Board; this shall also apply after the termination of their office as Supervisory Board members.
- (5) Each member of the Supervisory Board shall inform the Supervisory Board of any conflict of interest, in particular, conflicts that may result from an advisory task or a board function with clients, suppliers, lenders or other business partners.

§ 2 Election of the Chair and the Deputy Chair

- (1) The Supervisory Board shall elect from among its members a Supervisory Board Chair and a Deputy Chair. The election shall be chaired by the oldest Supervisory Board member.
- (2) The term of office of the Supervisory Board Chair and Deputy Chair shall correspond to the period for which he/she has been appointed.

If the Chair or the Deputy Chair resigns prior to expiry of his/her tenure of office, the Supervisory Board shall without delay elect a new Chair or Deputy Chair for the remaining period of office to replace the Chair or Deputy Chair who has stepped down.

- (3) In the event of the Supervisory Board Chair foreseeing the likelihood of his/her being prevented from executing his/her duties, he/she shall ensure that the Deputy Chair is informed in good time and comprehensively on the tasks to be carried out. This requires close cooperation between the Chair and the Deputy Chair.

§ 3 Meetings

- (1) At least two Supervisory Board meetings each shall take place during both the first and the last six months of a calendar year.
- (2) Supervisory Board meetings shall be convened by the Chair or, if he/she is prevented, by the Deputy Chair, giving a period of notice of two weeks prior to the meeting (end of the convening period) in writing by post, fax or other telecommunications media (hereinafter "means of communication"). When calculating the period, the day of the dispatch of the notice and the day of the meeting shall not be counted. In urgent cases, the person convening the meeting may shorten the period of notice and convoke the meeting orally, by telephone or using some other means of communication.
- (3) The invitation shall state the venue, date and time of the meeting as well as the individual items on the agenda. For resolutions to be adopted outside meetings, the way of voting shall be specified.

Any amendments to the agenda shall be communicated prior to expiry of the convening period. Amendments communicated after this point in time shall be dealt with during the meeting, unless the majority of the members present object thereto.

- (4) All documents required for resolutions shall be sent to the Supervisory Board members along with the invitation, unless, by way of exception, some other procedure is advisable for particular reasons.
- (5) After consulting with the Deputy Chair, the Chair may, for an important reason, cancel or postpone a meeting convened. He/she may interrupt any meeting already in progress. If the meeting is to be interrupted for a longer period, the Supervisory Board shall decide upon a motion of a member whether it is to be continued.
- (6) The Chair shall appoint the person to take the minutes. The Chair shall also decide at his/her discretion or at the request of the Supervisory Board on the admission of experts and respondents to consultations on individual items on the agenda. The independent auditor appointed shall be admitted to deliberations on the annual financial statements. The members of the Board of Management shall take part in the meetings of the Supervisory Board, unless the Chair of the Supervisory Board decides otherwise. Upon a motion of a member, the Supervisory Board shall decide hereupon.
- (7) The Board of Management shall report to the Supervisory Board in accordance with statutory provisions. The General Committee may elaborate or specify the reporting duty in more detail. Reports to the Supervisory Board shall generally be submitted in writing, and upon request, provided to the members, unless decided otherwise by the Supervisory Board. Only in the event of particular urgency shall verbal information from the Board of Management to the Chair of the Supervisory Board be sufficient. The Chair shall inform the other members of the Supervisory Board hereof as quickly as possible.
Auditor's reports pursuant to § 170 (3) sentence 2 of the German Stock Corporation Act shall be provided to the members, unless the Supervisory Board decides to deliver such reports to the members of a committee. These reports shall be returned to the Corporation at the conclusion of a member's term of office.
- (8) Once a year, the Supervisory Board shall advise the Board of Management during the preparation of the medium-term plan, including the strategic orientation and key budgetary figures, including human resources, financial, investment and divestment planning for the following year. The Board of Management shall make its decision taking the comments of the Supervisory Board into account.

§ 4 Adoption of Resolutions

- (1) Supervisory Board resolutions shall be passed, as a rule, in meetings. The participation of individual Supervisory Board members by videoconference or telephone is the same as participation in person. Participation by videoconference or telephone shall take place only in exceptional cases and with the consent of the Chair of the Supervisory Board. The Chair shall determine the order of discussion of agenda items as well as the manner and order of voting. Resolutions on items on the agenda not announced in due time may only be passed if no member objects to such procedure. In such event, absent members shall be given the opportunity, within an appropriate period to be determined by the Chair, to object to the adoption of the resolution or to cast their vote subsequently; such resolution shall only become effective when no absent member has objected within the prescribed period.
- (2) Resolutions may also be adopted outside meetings by votes cast in writing, by telephone, via videoconferences or by e-mail using recognized methods to provide authentication and to keep unauthorized third parties from gaining knowledge of the content. The Chair shall decide freely after due assessment of the circumstances whether and how a vote is to be taken on a resolution outside meetings. In such event, the members of the Supervisory Board shall be given the opportunity, within an appropriate period to be determined by the Chair, to object to the adoption of a resolution in this way; such resolution shall become effective only if no member has objected within the prescribed period. Participation in the vote shall be deemed the same as approving the way in which the vote is taken. The voting results shall be documented in writing and the Supervisory Board members informed thereof. Resolutions adopted in such a manner shall be recorded in the minutes of the next Supervisory Board meeting.
- (3) The Supervisory Board shall constitute a quorum when at least half of the total number of members participates in the vote on a resolution in person, via videoconference or by using some means of communication. A member is also deemed to have participated in the vote when he/she abstains from voting.
- (4) On the motion of two members, the Chair may postpone the vote on individual or on all items on the agenda by four weeks at the most, if an equal number of shareholders' and employees' representatives would not participate in the vote or there is otherwise a major reason for such postponement. The Chair shall not be authorized to effect a further postponement.
- (5) Supervisory Board resolutions shall require a majority of votes cast, unless another majority is made mandatory by law. Where voting results in a tie, the Chair shall have two votes in a new vote on the same subject, if such voting again ends in a tie. The second vote may also be cast in accordance with (1) and (2) above. The Chair of the Supervisory Board shall only exercise his/her right to a second vote after being advised by the committee in charge of the matter in question.
- (6) The Chair and – in case of the Chair being prevented – the Deputy Chair shall be authorized to make, on behalf of the Supervisory Board, the declarations of intent required to implement the resolutions of the Supervisory Board and its committees and to accept statements for the Supervisory Board.

§ 5 Minutes of Meetings

- (1) Minutes shall be taken at the meeting of the Supervisory Board and its committees; these minutes shall be signed by the meeting's chair. Each member shall receive a copy of the minutes of the meeting. The content of the minutes of the meeting shall be approved at the subsequent Supervisory Board meeting.
- (2) The minutes shall specify the place and date of the meeting, the names of the persons taking part, the items on the agenda, the essential contents of the proceedings and the resolutions of the Supervisory Board.
- (3) If different opinions are expressed in the Supervisory Board on individual items on the agenda, the minutes shall be formulated in such a way that the depiction of the essential contents of the proceedings reflects this fact.

Each Supervisory Board member shall have the right to request the recording of any objection to a resolution of the Supervisory Board.

§ 6 Transactions Requiring the Consent of the Supervisory Board

- (1) The Board of Management must obtain the consent of the Supervisory Board before taking any of the following actions:
 1. Decisions or measures of the Corporation or its affiliated companies as defined in §§ 16 - 18 of the German Stock Corporation Act that fundamentally change the Corporation's or the Group's net worth, financial position, results or risk exposure. This shall include measures which affect its structure as well as the commencement of new, or discontinuation of existing, lines of business or the substantial restriction of significant lines of business.
 2. Key financial aspects of the budget of the Group, its segments and the Corporation, as well as the Group's annual financing plan.
 3. The establishment, dissolution, acquisition or sale of companies, parts of companies and participating interests as well as any changes in the direct interests by the Corporation if the value of the specific measure exceeds EUR 125 million.
 4. Acquisition and sale of real property and real estate property rights as well as any other disposition thereof, if the value exceeds EUR 125 million in each individual case.
 5. Assumption of securities, bonds, credits and guarantees outside ordinary business activities for the benefit of third parties (legal entities that are not affiliated companies as defined in §§ 15 ff. of the German Stock Corporation Act or natural persons) if the scope thereof exceeds EUR 125 million in each case.
 6. Exceeding the approved investment budget by more than EUR 300 million.
 7. Group financing measures, the value of which in each individual case exceeds five percent of the Corporation's capital stock and which are not included in the Group's annual financing plan.

8. Issue of the Rules of Procedure for the Board of Management including the Schedule of Responsibilities.
 9. Assumption of sideline activities by a member of the Board of Management, particularly if a member of the Board of Management joins the supervisory board, board of directors or advisory council of a profit-making enterprise that is not a Group company.
 10. Granting of loans within the meaning of § 89 and § 115 of the German Stock Corporation Act.
 11. Conclusion of agreements with Supervisory Board members within the meaning of § 114 of the Stock Corporation Act.
 12. Conclusion of inter-company agreements pursuant to §§ 291 et seq. of the German Stock Corporation Act.
 13. Transactions between members of the Board of Management or related persons or companies and the Corporation or its affiliated companies, if these transactions are significant.
- (2) Any transactions or measures pursuant to (1), nos. 3 to 5 hereof effected by a direct or indirect holding that is controlled by the Corporation as defined in § 17 of the German Stock Corporation Act shall likewise require the approval of the Supervisory Board.
- (3) The Supervisory Board may at any time make additional transactions contingent upon its consent. It may give revocable consent in advance with regard to a specific group of transactions in general or with regard to an individual transaction meeting certain requirements.

§ 7 Formation of Committees

- (1) The Supervisory Board may form committees within the framework of statutory provisions and the Articles of Incorporation. In any case, it shall form a
1. Mediation Committee (§ 8)
 2. Staff Committee (§ 9)
 3. Finance Committee (§ 10)
 4. Audit Committee (§ 11)
 5. General Committee (§ 12)
 6. Nomination Committee (§ 13)
 7. Technology and Innovation Committee (§ 14).
- (2) The committee members shall be elected from among the Supervisory Board members with due regard to statutory provisions, the Articles of Incorporation and the Rules of Procedure. Each committee shall be headed by a chair who – unless otherwise provided by the Articles of Incorporation or statutory provisions – shall be elected by the Supervisory Board.

- (3) The work and the results of deliberations in the committees shall be reported to the Supervisory Board.

§ 8 Mediation Committee

The tasks defined in § 31 (3) sentence 1 of the 1976 Codetermination Act shall be incumbent upon the Mediation Committee.

§ 9 Staff Committee

- (1) The Staff Committee shall have equal representation. It shall have four members, including the Chair and Deputy Chair of the Supervisory Board.
- (2) The Committee shall be chaired by a Supervisory Board member representing the employees.
- (3) The following measures must be debated in the Staff Committee before the Board of Management adopts a corresponding resolution:
1. Principles of human resources management in the Corporation, its subsidiaries, associated and related companies. These shall include, among other things:
 - the structure of conditions of employment for executive employees and salaried employees outside collective agreements,
 - employee share-purchase principles, including in the case of direct and indirect majority stakes in companies with listed shares or plans to list shares,
 - the alteration of corporate principles,
 - the principles for securing equal opportunities.
 2. Principles and structures of human resources development and human resources planning, and on ensuring the training of future management staff within the Deutsche Telekom Group. These shall include, among other things:
 - the introduction of new, or amendment of existing, management principles,
 - concepts of further and advanced training,
 - the principles and instruments of human resources management and staff promotion.

§ 10 Finance Committee

- (1) The Finance Committee shall have equal representation. It shall have six members.
- (2) The Committee is chaired by a Supervisory Board member representing the shareholders.
- (3) The Finance Committee shall deal in particular with complex corporate financial and business activities passed on to it by the Supervisory Board Chair or by the Supervisory Board for examination and discussion.
- (4) The Supervisory Board shall transfer to the Finance Committee the task of passing resolutions on the following matters:
 1. Acquisition and sale of real property and real estate property rights as well as any other disposition thereof, if the value exceeds EUR 125 million in each individual case.
 2. Assumption of securities, bonds, credits and guarantees by the Corporation outside ordinary business activities for the benefit of third parties (legal entities that are not affiliated companies as defined in §§ 15 ff. of the Stock Corporation Act or natural persons) if the scope thereof exceeds EUR 125 million.
 3. Exceeding the approved investment budget by more than EUR 300 million.
 4. Group financing measures, the value of which in each individual case exceeds five percent of the Corporation's capital stock and which are not included in the Group's annual financing plan.
- (5) The Finance Committee shall be responsible for preparing resolutions to be adopted by the Supervisory Board on the Group's annual financing plan.
- (6) The Board of Management shall keep the Finance Committee informed about the Group's financing structure, especially about capital market measures if the value of such measures exceeds five percent of the Corporation's capital stock in each individual case.

§ 11 Audit Committee

- (1) The Audit Committee shall have equal representation. It shall have six members.
- (2) The Committee shall be chaired by a Supervisory Board member representing the shareholders who is particularly knowledgeable and experienced in the use of accounting standards and internal control procedures.
- (3) The members of the Committee may not receive any remuneration or other benefits for consultancy or other business agency activities from either the Corporation or a Group company. This shall not apply to remuneration for the members of the Supervisory Board pursuant to § 113 of the Stock Corporation Act stipulated in the Articles of Incorporation or approved by the shareholders' meeting, the reimbursement of expenses and pension payments which are paid solely for services rendered in the past and are independent of future services.

- (4) The Audit Committee shall deal with issues relating to accounting, the internal control system, risk management and compliance, internal auditing and the audit of financial statements, especially with regard to the selection and independence of the auditors, the additional services provided by the external auditors, the awarding of the audit contract to the auditors, the stipulation of the main focuses of the audit and the agreement on fees, while taking account of the legal regulations and the recommendations of the German Corporate Governance Code.
- (5) The members of the Committee are authorized, given a respective resolution adopted by the Committee, to examine all books, documents and assets.
- (6) The Committee may adopt its own Rules of Procedure within the limits of the law, the Articles of Incorporation and these Rules of Procedure¹.

§ 12 General Committee

- (1) The General Committee shall have equal representation. It shall have four members, including the Chair and Deputy Chair of the Supervisory Board.
- (2) The General Committee shall be chaired by the Chair of the Supervisory Board. He/she shall have a second vote on the tasks assigned to the Committee for the adoption of a resolution.
- (3) The General Committee shall be responsible for the preparation of resolutions by the Supervisory Board on the following matters:
 1. Appointment and dismissal of Board of Management members,
 2. Determination and regular review of the compensation system for the Board of Management, including the main contract elements,
 3. Determination of the remuneration of individual members of the Board of Management,
 4. Conclusion of agreements with Supervisory Board members within the meaning of § 114 of the Stock Corporation Act,
 5. Other Supervisory Board resolutions regarding Board of Management matters,
 6. Key financial aspects of the budget of the Group, its divisions and the Corporation,
 7. The establishment, dissolution, acquisition or sale of companies, parts of companies and participating interests as well as any changes in the direct interests by the Corporation if the value of the specific measure exceeds EUR 125 million.

7a If the Board of Management intends to initiate a legal, internal investigation measure against a member of the Supervisory Board based on specific suspicion of a breach of legal duties towards the Company, it shall consult the General Committee before doing so. The Committee shall be informed in detail of the reason, the nature, the duration and the intensity of the intended measure. The General Committee may make recommendations to the Board of

¹ Rules of Procedure of the Audit Committee, as at: December 13, 2016

Management. The Board of Management shall reach its decision with due consideration of the recommendation of the General Committee. Once the measure has been concluded, the Board of Management shall inform the General Committee of the results, duration and intensity. The legal obligations of the Board of Management shall remain unaffected; as far as legally required, the person concerned shall also be informed by the Board of Management. Legal measures other than those described in sentence 1 shall not be carried out.

7b If the specific suspicion is directed towards a member of the General Committee, the Chair of the Committee shall decide whether the procedure described under paragraph 7a hereof should be held with the exclusion of the member concerned. Should the Chair be the person concerned or be otherwise prevented from deciding, the Deputy Chair of the Supervisory Board shall take the decision; should the latter be the person concerned or be otherwise prevented from deciding, the longest-serving member of the Supervisory Board shall take the decision. The member prevented from involvement shall be replaced by another member of the Supervisory Board. Employee representatives shall be replaced by employee representatives and shareholder representatives by shareholder representatives. For this purpose and as a precaution for this case, the Supervisory Board shall in advance elect one member each of the shareholder representatives and the employee representatives.

- (4) The Supervisory Board shall transfer to the General Committee the task of passing resolutions on the following matters:
1. The conclusion, amendment and termination of agreements with Board of Management members within the framework of the compensation system, including the main contract elements, defined in (3) no. 2. as well as the remuneration set by the Supervisory Board for the individual members of the Board of Management.
 2. Assumption of sideline activities by a member of the Board of Management, particularly if a member of the Board of Management joins the supervisory board, board of directors or advisory council of a profit-making enterprise that is not a Group company.
 3. Granting of loans within the meaning of §§ 89 and § 115 of the Stock Corporation Act;
 4. Transactions conducted by members of the Board of Management or related persons or companies with which they have a personal association, on the one hand, with the Corporation or its affiliated companies, on the other, if these transactions are significant.
 5. An elaboration or specification of the Board of Management's duty to report pursuant to § 3 (7) of these Rules of Procedure.
 6. The execution of other legal transactions with the Board of Management pursuant to § 112 of the Stock Corporation Act.
- (5) If a holding controlled by the Company as defined in § 17 of the Stock Corporation Act is involved in transactions or measures pursuant to § 6 (1), nos. 3 to 5 of indirect minority interests of the Company, the Board of Management shall inform the General Committee if the value of the measure attributable to the Company in accordance with the shareholding quota exceeds the sum of EUR 125 million.
- (6) The chair of the Committee shall be responsible for long-term succession planning for the Board of Management in concert with the Chair of the Board of Management.

§ 13 Nomination Committee

- (1) The Nomination Committee shall consist only of shareholder representatives.
- (2) The shareholder representatives on the General Committee shall be members of the Nomination Committee together with one additional shareholder representative to be elected by the shareholder representatives. The Nomination Committee shall be chaired by the chair of the General Committee.
- (3) The Nomination Committee shall propose to the Supervisory Board suitable candidates for recommendation to the shareholders' meeting for election.

§ 14 Technology and Innovation Committee

- (1) The Technology and Innovation Committee shall have equal representation. It shall have six members.
- (2) The Committee shall support innovations and technical developments on the infrastructure and product level. It shall advise the Board of Management on issues concerning the tapping of new growth areas.

§ 15 Declarations of Intent

- (1) The Chair and – in case of the Chair being prevented – the Deputy Chair shall be authorized to make, on behalf of the Supervisory Board, the declarations of intent required to implement the resolutions of the Supervisory Board and its committees and to accept statements for the Supervisory Board.
- (2) Public announcements of the Supervisory Board shall be made so as to include the designation "The Supervisory Board" with the Corporation's corporate name as well as the signature of the Chair of the Supervisory Board or, in the event of the hindrance thereof, the Deputy Chair.

§ 16 Internal Order of Committees

The regulations laid down for the Supervisory Board in the Articles of Incorporation and in these Rules of Procedure shall apply analogously for the committees of the Supervisory Board, unless other provisions have expressly been made. § 108 (3) and (4) as well as § 109 of the Stock Corporation Act shall not be prejudiced hereby.

§ 17 Office

The business of the Supervisory Board shall be run by its own office at the headquarters of the Corporation. The Board of Management shall make the office staff and equipment available in collaboration with the Chair of the Supervisory Board.